



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend, with revision, the mandatory Reporting Requirements Associated with Regulation QQ (OMB No. 7100-0346). The revisions are applicable as of July 31, 2018.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC, 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an

information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

Final approval under OMB delegated authority of the extension for three years, with revision, of the following report:

Report title: Reporting Requirements Associated with Regulation QQ.

Agency form number: Reg QQ.

OMB control number: 7100-0346.

Frequency: Annually.

Respondents: Bank holding companies¹ with assets of \$50 billion or more and nonbank financial firms designated by the Financial Stability Oversight Council for supervision by the Board.

Estimated number of respondents: Reduced Reporters: 72; Tailored Domestic Reporters: 11; Tailored Foreign Reporters: 6; Full Domestic Reporters: 3; Full Foreign Reporters: 6; Complex, Domestic Filers: 9; Complex, Foreign Filers: 4.

Estimated average hours per response: Reduced Reporters: 60 hours; Tailored Domestic Reporters: 9,000 hours; Tailored Foreign Reporters: 1,130 hours; Full Domestic Reporters: 26,000 hours; Full Foreign Reporters: 2,000 hours; Complex, Domestic Filers: 79,522 hours;² Complex, Foreign Filers: 55,500 hours.

Estimated annual burden hours: Reduced Reporters: 4,320 hours; Tailored Domestic Reporters: 99,000 hours; Tailored Foreign Reporters: 6,780 hours; Full Domestic Reporters: 78,000 hours;

¹ This includes any foreign bank or company that is, or is treated as, a bank holding company under section 8(a) of the International Banking Act of 1978, and that has \$50 billion or more in total consolidated assets.

² This estimate captures the annual time that complex, domestic filers will spend complying with this collection, given that eight of these filers will only submit two resolution plans over the period covered by this notice. The estimate therefore represents two-thirds of the time these eight firms are estimated to spend on each resolution plan submission.

Full Foreign Reporters: 12,000 hours; Complex, Domestic Filers: 715,697 hours; Complex Foreign Filers: 222,000 hours. Total estimated annual burden: 1,137,797.

General Description of Report: Regulation QQ (12 CFR part 243) requires each bank holding company (BHC) with assets of \$50 billion or more and nonbank financial firms designated by the Financial Stability Oversight Council (FSOC) for supervision by the Board (collectively, covered companies) to report annually to the Board and the FDIC the plan of such company for rapid and orderly resolution under the U.S. Bankruptcy Code in the event of the company's material financial distress or failure. The plans submitted pursuant to Regulation QQ, and identified in this information collection, are reviewed jointly by the Board and Federal Deposit Insurance Corporation (FDIC) (collectively, the Agencies). On May 24, 2018, the Economic Growth, Regulatory Reform, and Consumer Protection Act (EGRRCPA)³ amended provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) as well as other statutes administered by the Board. The amendments made by EGRRCPA provide for additional tailoring of various provisions of Federal banking laws, including an increase in the \$50 billion asset threshold⁴ in section 165 of the Dodd-Frank Act, which provides the statutory basis for Regulation QQ. On September 28, 2017, the Board and the FDIC announced the postponement of the next plan submission of the largest and most complex, domestic BHCs⁵

³ Pub. L. No. 115-174, 132 Stat. 1296 (2018). EGRRCPA increases the \$50 billion asset threshold in section 165 in two stages. Immediately on the date of enactment, bank holding companies with total consolidated assets of less than \$100 billion were no longer subject to section 165. Eighteen months after the date of enactment, the threshold is raised to \$250 billion. EGRRCPA also provides that the Board may apply any enhanced prudential standard to bank holding companies between \$100 billion and \$250 billion in total consolidated assets.

⁴ The total estimated annual burden reflects that the Board and FDIC will not enforce the final rules establishing resolution planning requirements in a manner inconsistent with the amendments made by EGRRCPA by removing the approximately 20 smaller and less complex firms with global total consolidated assets of less than \$100 billion and reflecting a corresponding reduction in the estimated annual burden hours associated with the notice of approximately 29,330 (two percent). Firms with between \$100 billion and \$250 billion in total consolidated assets continue to be reflected in the burden estimates, as EGRRCPA provides that the threshold is not raised to \$250 billion for eighteen months and that the Board may determine to continue to apply enhanced prudential standards to these firms beyond that period.

⁵ This group currently consists of Bank of America Corporation; Bank of New York Mellon Corporation; Citigroup,

from July 1, 2018, to July 1, 2019, to permit the agencies to provide meaningful feedback on the July 2017 plans and provide the BHCs with sufficient time to incorporate the feedback into their next plans. If these firms were filing each year covered by this notice, instead of only twice, the total estimated annual burden for the reporting of this information collection would be 1,439,100 hours instead of the aforementioned 1,137,797.

The Board is exploring ways to improve the resolution planning process. Such improvements could include, for example, extending the cycle for plan submissions; focusing certain filings on key topics of interest and material changes; or reducing the submission requirements for firms with small, simple, and domestically focused activities. The Board will solicit comments on the effects that any such changes would have on paperwork burden if and when the changes are proposed.

Legal authorization and confidentiality: This information collection is mandatory pursuant to section 165(d)(8) of the Dodd-Frank Act (Pub. L. 111–203, 124 Stat. 1376, 1426–1427), 12 U.S.C. 5365(d)(8), which requires the Board and the FDIC to jointly issue rules implementing the provisions of section 165(d) of the Dodd-Frank Act. The Board’s Legal Division has determined that under section 112(d)(5)(A) of the Dodd-Frank Act, the Board and the FDIC “shall maintain the confidentiality of any data, information, and reports submitted under” Title I (which includes section 165(d), the authority this regulation is promulgated under) of the Dodd-Frank Act.

The Board and the FDIC will assess the confidentiality of resolution plans and related material in accordance with FOIA and the Board’s and the FDIC’s implementing regulations (12 CFR part 261 (Board); 12 CFR part 309 (FDIC)). The Board and the FDIC expect that large

Inc.; Goldman Sachs Group, Inc.; JPMorgan Chase & Co.; Morgan Stanley; State Street Corporation; and Wells Fargo & Company.

portions of the submissions will contain or consist of “trade secrets and commercial or financial information obtained from a person and privileged or confidential” and information that is “contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions.” This information is subject to withholding under exemptions 4 and 8 of the Freedom of Information Act (FOIA), 5 U.S.C. 552(b)(4) and 552(b)(8).⁶ The Board and the FDIC also recognize, however, that the regulation calls for the submission of details regarding covered companies that are publicly available or otherwise are not sensitive and should be made public. In order to address this, the regulation requires resolution plans to be divided into two portions: a public section and a confidential section.

In addition to any responses to guidance from the Agencies, the public section of the resolution plan should consist of an executive summary of the resolution plan that describes the business of the covered company and includes, to the extent material to an understanding of the covered company: (i) the names of material entities; (ii) a description of core business lines; (iii) consolidated or segment financial information regarding assets, liabilities, capital and major funding sources; (iv) a description of derivative activities and hedging activities; (v) a list of memberships in material payment, clearing, and settlement systems; (vi) a description of foreign operations; (vii) the identities of material supervisory authorities; (viii) the identities of the principal officers; (ix) a description of the corporate governance structure and processes related to resolution planning; (x) a description of material management information systems; and (xi) a description, at a high level, of the covered company’s resolution strategy, covering such items as the range of potential purchasers of the covered company, its material entities and core business lines.

⁶ Depending upon the circumstances of any specific FOIA request, other exemptions may also apply.

While the information in the public section of a resolution plan should be sufficiently detailed to allow the public to understand the business of the covered company, such information can be high level in nature and based on publicly available information. The public section will be made available to the public exactly as submitted by the covered companies as soon as possible following receipt by the agencies. A covered company should submit a properly substantiated request for confidential treatment of any details in the confidential section that it believes are subject to withholding under exemption 4 of the FOIA. In addition, the Board and the FDIC will make formal exemption and segregability determinations if and when a plan is requested under the FOIA.

Current actions: On January 22, 2018 the Board published a notice in the Federal Register (83 FR 2983) requesting public comment for 60 days on the extension, with revision, of the Reporting Requirements Associated with Resolution Plans (Regulation QQ). The revision to the clearance is burden increase due to a reassessment of the burden hours associated with responding to the informational requirements of Regulation QQ and to guidance, feedback, and additional requests for information by the agencies as part of the iterative resolution planning process. The increase in burden is mitigated by the postponement of the July 2018 submission date for the resolution plans of the complex domestic filers, which account for the largest percentage of overall burden hours. The comment period for this notice expired on March 23, 2018. The Board received one comment on the proposal. The commenter recommended a number of potential changes to Regulation QQ intended to enhance the quality of the information collected pursuant to the regulation and reduce the burden of the information collection requirements.⁷

⁷These recommended changes include:

(i) extending the annual resolution plan filing cycle to a two-year cycle;

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- (ii) providing additional clarity on filing deadlines;
 - (iii) requiring that any agency guidance be provided more than 12 months in advance of each filing deadline;
 - (iv) allowing firms to satisfy some of their Regulation QQ requirements by incorporating their IDI plans by reference;
 - (v) providing for further tailoring based on the systemic risk posed by each firm,
 - (vi) further reducing the need for duplicative reporting;
 - (vii) adjusting the forecasting expected from the firms;
 - (viii) providing greater guidance regarding regulatory expectations related to the resolution of financial market utilities;
 - (ix) eliminating the strategic analysis section from tailored plans;
 - (x) providing an opportunity for notice and comment on any new information requirements, the framework used for assessing resolution plans, and the procedures related to remediation;
 - (xi) requiring the agencies to provide feedback on plans within six months of plan submission;
 - (xii) refraining from making feedback provided to the firms public or providing firms more time to consider the feedback before it is made public; and
 - (xiii) reconsidering the procedures the Board and FDIC undertake to engage with firms.

The Board is not adopting any of the recommended changes at this time. Either a revision to the Board's Regulation QQ or joint action with the FDIC would be necessary to implement each of the recommended changes. Most of the recommendations would require changes to the Board's Regulation QQ, which could only be accomplished pursuant to a rulemaking. In addition, the Board could not unilaterally take the actions requested by these comments, even those that would not require a rulemaking, as they fall under the purview of a rule that the Board proposed jointly with the FDIC and a process that is jointly administered by the two agencies.⁸ However, the Board will consider the recommended changes in due course as it determines, in consultation with the FDIC, whether to conduct a joint rulemaking. The revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, August 15, 2018.

Ann Misback,

Secretary of the Board.

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⁸ See 12 U.S.C. 5365(d)(8) (requiring the Board and FDIC to issue joint rules implementing the Dodd-Frank Act's resolution planning requirements), 12 CFR. Part 243 (the Board's resolution planning rule), and 12 CFR. Part 381 (the FDIC's resolution planning rule). Aspects of the statute and regulations require joint actions or determinations by the Board and FDIC and therefore the agencies have jointly developed a coordinated resolution plan review process.

